STATEMENT OF PURPOSE

RS21653

This bill relates to the property taxes assessed on low-income housing (called "Section 42 housing"). Section 63-205A, Idaho Code, which governs how county assessors make these assessments, contains an error. The last sentence of subsection (b) states "The net operating income shall be reduced by costs customary to section 42 operations, including normalized operating expenses plus all compliance, audit, asset management and other fees..." The phrase "net operating income" by definition excludes costs (expenses) so to deduct costs would duplicate the deduction. This bill substitutes the term "effective gross income" to eliminate the potential double deduction.

FISCAL NOTE

This bill has no fiscal impact.

Contact:

Alan Dornfest Tax Commission (208) 334-7537